

**BY-LAWS
OF
ASSOCIATION OF PROPERTY OWNERS
AT PINE GROVE LAKES, INC.**

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AT PINE GROVE LAKES, INC.

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A New York Not-for-Profit Corporation

ARTICLE I. NAME, LOCATION AND PRINCIPAL OFFICE

These are the By-Laws of the Association of Property Owners at Pine Grove Lakes, Inc. hereinafter referred to as the "Association." The principal office of the Association shall be located in the Town of Ramapo, County of Rockland, State of New York.

ARTICLE II. DEFINITIONS

The following words when used in these By-Laws shall, unless the context otherwise prohibits, have the meanings set forth below:

- (a) "Association" shall mean and refer to Association of Property Owners at Pine Grove Lakes, Inc., a New York Not-for-Profit Corporation.
- (b) "Declaration" shall mean and refer to the Declarations of Covenants, Restrictions, Easements, Charges and Liens, as amended in the past and which may be amended from time-to time in the future, the two original declarations being recorded as Liber 373, Page 55 and Liber 587, Page 362, which declarations formed and effect the development known as Pine Grove Lakes in Sloatsburg, New York, and additional declarations, if any, duly filed, which affect the Development.
- (c) "The Properties" shall mean and refer to all the real property, both Lots and Common Areas, described in and subject to the Declaration, including additional real property duly filed in connection with the Development.
- (d) "Home" or "Lot" shall mean and refer to any lot on the subdivision maps of the Properties but shall not include the Common Areas as herein described. A Home is a Lot with a residence built upon it.
- (e) "Member" means each Owner of a Lot, and is further defined in Article VI. For Quorum and Voting purposes, each Lot may cast one vote; multiple Members associated with a Lot do not each have a separate vote.
- (f) "Owner" shall mean and refer to the record owner of fee simple title to any Lot.

Every Owner of a Lot shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common or tenancy by the entirety.

(h) "Common Properties" or "Common Areas" shall mean and refer to certain areas of land other than individual Lots as shown on the filed subdivision map and intended to be devoted to the common use and enjoyment of the owners of the Properties.

(i) "Development" shall mean the Properties subject to the Declaration and governed by the Association of Property Owners at Pine Grove Lakes, Inc.

(j) "Assessments" refers to the charges defined in the Declaration, and includes such additional charges as may be assessed for collection efforts and violations of the Declaration, By-Laws, rules and regulations, and collection policies.

(k) "Governing Documents" means New York State law applicable to the Association, the "Declaration," these By Laws, Association rules and regulations, and board policies.

ARTICLE III. PURPOSE

This Association is formed to own, operate and maintain the Common Properties for the benefit of the members of the Association, and including those purposes set forth in the Declaration.

ARTICLE IV. APPLICABILITY

All Members and the Properties are subject to the Governing Documents.

ARTICLE V. USE OF FACILITIES

The Common Properties shall be limited to the use of the Members and their guests. However, in the event that a Member shall lease or permit another to occupy his Lot, the lessee(s) or occupant(s) shall at the option of the Member, be permitted to enjoy the use of the Common Properties in lieu of, and subject to the same restrictions and limitations as, said Member. However, both the Member and the Lessee(s) may not use the facilities at the same time.

Any Member, lessee or occupant entitled to use the Association facilities may extend such privileges to members of his permanent household residing in the household by notifying the Secretary in writing of the names of any such persons and of the relationship of such Member, lessee or occupant to such persons.

ARTICLE VI. MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Each Owner, during the time he or she owns a Lot, is automatically a Member of the Association.

Section 2. Voting. Each Owner may cast one vote per Lot owned, subject to the one vote per Lot restriction below, and suspension of Membership in Section 3 of this Article. If a Lot is co-owned, the vote attributable to the Lot shall be exercised as the co-owners mutually determine but not more than one vote may be cast with respect to any such Lot.

Section 3. Suspension of Membership Privileges. The privileges of membership are subject to the Governing Documents and the payment of Assessments. The obligation to pay Assessments is imposed against each Member jointly and severally, and becomes a lien upon the Lot. During any period in which a Member defaults in the payment of any Assessment, the Member's right to use the recreational facilities or the Common Properties may be suspended by the Board of Trustees until such assessment has been paid. Such rights of a Member may be suspended, after notice and hearing, while the violation exists and for a period not to exceed thirty (30) days after a violation is cured, for violation of the Governing Documents.

An Owner may not vote while they have Assessments unpaid for more than 90 days from the date due, unless the Board has approved a payment plan specifying that voting privileges are restored.

ARTICLE VII. QUORUM, PROXIES AND WAIVERS

Section 1. Quorum. So many Members as shall represent at least ten (10%) percent of the Lots present in person or represented by written proxy shall be requisite to and shall constitute a quorum at all meetings of the Association for the transaction of business, except as otherwise provided by Statute, by the Declaration, the Certificate of Incorporation of the Association or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Association, the Members entitled to vote thereat, present in person or represented by written proxy, shall have the power of adjourn the meeting. At least ten (10) days written notice of such adjourned meeting shall be given to all Members. At such adjourned meeting any business may be transacted which might have been transacted at the meeting originally called.

Section 2. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Lots represented in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Members, unless the question is one upon which by express provision of New York Law, the Declaration, the Certificate of Incorporation or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question

Section 3. Right to Vote. Members shall be entitled to vote either in person or by proxy at any meeting of the Association. Any such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 4. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 5. Place of Meeting. Meetings shall be held at any suitable place convenient to the Members as may be designated by the Board of Trustees and designated in the notices of such meetings.

Section 6. Annual Meeting. The annual meeting of the membership of the Association shall be held on such date as is fixed by the Board of Trustees. At such meetings there shall be elected by ballot of the membership a Board of Trustees in accordance with the requirements of Article VIII of these By-Laws. The Members may also transact such other business as may properly come before the meeting.

Section 7. Special Meeting. It shall be the duty of the President to call a special meeting of the Association, if so directed by the Board of Trustees, or upon the presentation to the Secretary of a petition signed by Members representing a majority of the Lots.

Section 8. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Member at least ten (10) but not more than sixty (60) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 9. Order of Business. The order of business at all meetings shall be as follows:

- (a) Roll call
- (b) Proof of proper notice of meeting
- (c) Reading of minutes of preceding meeting, unless waived
- (d) Report of officers
- (e) Report of committees
- (f) Appointment of inspectors of election (in the event there is an election)
- (g) Election of Trustees (in the event there is an election)
- (h) Unfinished business
- (i) New business

ARTICLE VIII. BOARD OF TRUSTEES

Section 1. Number and Term. The number of Trustees which shall constitute the whole Board shall be nine. All Trustees shall serve 3-year terms, except for vacancy appointments. Elections shall be held so as to provide for three Trustees to be elected each year. In the event of a vacancy, the Trustee positions shall be filled so to continue the sequence.

At each election at which any open Trustee seat is for less than three years, the candidates receiving the three highest numbers of votes shall have the three years terms, so on so as to maintain the staggered terms. But in this event, if the number of empty seats equals the number of candidates, the homeowners and candidates may agree that no election is necessary, and the candidates themselves may be left to decide, by any means they agree on, how to apportion the terms of office.

Trustees shall be at least nineteen years of age.

Section 2. Cumulative Voting. For the purpose of electing Trustees, each Member shall be entitled to as many votes as shall equal the number of Trustees to be elected and a Member may cast all of such votes for a single Trustee or may distribute them among two or more Trustees as he sees fit. As in voting for all other purposes, the Members of each Lot have only one vote per Lot; Lots with multiple Members do not gain additional votes.

Section 3. Vacancy and Replacement. If the office of any Trustee becomes vacant by reasons of death, resignation, retirement, disqualifications, removal from office or otherwise, a majority of the remaining Trustees though less than a quorum, at a special meeting of Trustees duly called for this purpose, shall choose a successor, who shall hold office until the next Annual Meeting.

At the Annual Meeting following a vacancy, the Trustee(s) receiving the highest number of vote shall serve three year terms, and the Trustee(s) receiving fewer votes will serve two year or one year terms, as appropriate, in order to continue the staggered terms. In the event the number of candidates equals the number of vacancies, the Members may, by voice vote, pass a resolution allowing the candidates to chose which amongst them receives the longer terms, in order to avoid the need for a vote to determine the length of the terms.

Section 4. Removal. Trustees may be removed for cause by an affirmative vote of a majority of the Members at a meeting duly called for that purpose. No Trustee shall continue to serve on the Board if, during his term of office, he shall cease to be a Member.

Section 5. Powers.

- (a) The property and business of the Association shall be managed by its Board of Trustees, which may exercise and shall have such powers of the Association and do all such lawful acts and things as are not by statute, Declaration, Certificate of Incorporation or these By-Laws, directed or required to be exercised or done by the Members. These powers shall specifically include, but not be limited to the following items:
1. To determine and levy Assessments pursuant to the Governing Documents, including but not limited to the cost of operating, maintaining, repairing and replacing the Common Properties, payable in advance. The Board of Trustees may increase the Assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses;
 2. To collect, use and expend the Assessments collected to maintain, care for and preserve the recreation facilities, Common Areas, and common area landscaping and otherwise carry out the purposes of the Governing Documents;
 3. To make repairs, restore or alter the Common Properties after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;
 4. To open bank accounts and borrow money on behalf of the Association and to designate the signatories to such bank accounts;
 5. To collect delinquent Assessments by suit, lien, or otherwise, to abate nuisances and to enjoin or seek fines and damages from Members for violations of the house rules or rules and regulations;
 6. To make reasonable rules and regulations and to amend the same from time to time. Such rules and regulations and amendments thereto shall be binding upon the Member when the Board has approved them in writing. Such rules and regulations may without limiting the foregoing include reasonable limitations on the use of the Common Properties by guests of the Members, as well as reasonable admission and other fees for such use, and the right to suspend membership for nonpayment or violations of the Governing Documents;
 7. To employ workmen, contractors and supervisory personnel, and to purchase supplies and equipment, to enter into contracts to provide maintenance and other services and generally to have the power of Trustees in connection with the matters hereinabove set forth;
 8. To bring and defend actions by or against one or more Members and pertinent to the operation of the Association and to assess special assessments to pay the cost of such litigation;
 9. To hire a Managing Agent and other professionals to perform and exercise the powers of the Board of Trustees in the management of the Development.
 10. To take such other action as the Board of Trustees deem appropriate to carry out the purposes of the Governing Documents.

(b) The Board of Trustees may designate one or more committees, each of such committees to consist of at least three (3) Members, Lessors of Members, or immediate family members residing in Homes of Members, one of whom shall be a Trustee, which, to the extent provided in said resolution shall have and may exercise the powers of the Board of Trustees in the management of the business and affairs of the Association and may have power to sign all papers which may be required, provided the said resolution or resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Trustees. Committees established by resolution of the Board of Trustees shall keep regular minutes of their proceedings and shall report the same to the Board as required.

Section 6. Compensation. Trustees and officers, as such, shall receive no compensation for their services. However, Trustees and Officers may be compensated for special services performed outside their capacity as a Trustee or Officer, by an agreement with the Board.

Section 7. Meetings.

(a) The Board shall meet regularly as needed for it to conduct its business. The annual meeting of the Board of Trustees shall, if practicable, be held on the same date as the annual meeting of Association Members and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board shall be set.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special meetings of the Board may be called by the President on two (2) days notice to each Trustee either personally or by phone, telefax, or e-mail. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least three (3) Trustees.

(d) At all meetings of the Board, a majority of the Trustees shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of a majority of the Trustees present at any meeting at which there is a quorum shall be the act of the Board of Trustees, except as may be otherwise specifically provided by Statute, Certificate of Incorporation, or by the Declaration or by these By-Laws. If a quorum shall not be present at any meeting of Trustees, the Trustees present may adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum shall be present. A Trustee may, if circumstances require it, be present at all or a part of the meeting by audio or videoconferencing, although this method of attendance is not to be encouraged. In emergencies, votes may be cast by e-mail or similar electronic means, which method of voting is not to be encouraged, and further provided that efforts are made to alert each and every Trustee of the issue(s) to be voted on and the opportunity to partake in the vote.

(e) Before or at any meeting of the Board of Trustees, any Trustee may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Trustee at any meeting of the Board shall be a waiver of notice of the time and place thereof. If all the Trustees are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 8. Fidelity Bonds. The Board of Trustees may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds, if the same are not provided as part of the Association's insurance. The premiums on such bonds shall be an expense of the Association.

ARTICLE IX. OFFICERS

Section 1. Elective Officers. The officers of the Association shall be chosen by the Board of Trustees and shall be a President, a Vice President, a Secretary and a Treasurer. The Board of Trustees may also choose one or more Assistant Secretaries and Assistant Treasurers and such other officers as in their judgment may be necessary. All officers must be either members of the Board of Trustees, Members of the Association, or a permanent resident of the Association. Two or more offices may not be held by the same person.

Section 2. Appointive Officers. The Board may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 3. Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Trustees may be removed with or without cause, at any time, by the affirmative vote of a majority of the Board of Trustees, provided prior notice was given to all Board members that this item was on the agenda for such meeting. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Trustees.

Section 4. The President. The President shall be the chief executive officer of the Association; shall preside at all meetings of the Association Members and the Board of Trustees, shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Association, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a corporation organized under the Not-for-profit Corporation Law of the State of New York.

Section 5. The Vice President. The Vice President shall take the place of the President and perform such duties whenever the President shall be absent or unable to act, and shall have such other powers and duties as are usually vested in the office of Vice President of a corporation organized under the Not-for-profit Corporation Law of the State of New York.

Section 6. The Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all meetings of Association Members and record all votes and the minutes of all proceedings in a book to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of Association Members and special meetings of the Board of Trustees, and shall perform such other duties as may be prescribed by the Board of Trustees or by the President, and under the President's supervision.

Section 7. The Treasurer. The Treasurer and/or Assistant Treasurer shall have the custody of the Association funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Association including the vouchers for such disbursements, and shall deposit all monies in the name and to the credit of the Association in such depositories as may be designated by the Board of Trustees. These duties may also be exercised by the Managing Agent, if any. However, such Managing Agent shall not replace the Treasurer. The Treasurer shall disburse the funds of the Association as may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Trustees, at the regular meeting of the Board or whenever they may require it, an account of all his transactions as Treasurer, and of the financial condition of the Association. The Treasurer shall keep detailed financial records and books of account of the Association, including a separate account for each Member, which among other things, shall contain the amount of each assessment, the date when due, the amount paid and the balance remaining unpaid, if any.

ARTICLE X. ASSESSMENTS AND FINANCES

Section 1. Creation of the Lien and Personal Obligation of Assessments. The creation of the lien and personal obligation of Members to pay the Assessments is governed by the Governing Documents, including but not limited to Declaration, By-Laws, rules and regulations, and collection policies. It may be enforced by foreclosure in the same manner as a mortgage.

Section 2. Purpose of Assessments. The purpose of the Assessments is as specified in the Declaration, these By-Laws, and the rules and regulations.

Section 3. Basis of Assessments. The basis of the Assessments is as specified in the Declaration and these By-Laws. The Board of Trustees shall set forth the Assessments in a budget, and may combine the all budget items into one Assessment. Special Assessments may, from time to time be made during the fiscal year. The budget and Assessments may include reserves for future expenses and contingencies. In order to fairly and equitably assess Lots, the Board of Trustees may set forth from time to time various assessment tiers.

Section 4. Merger of Certain Lots for Assessment Purposes. An Ancillary Lot shall not be subject to Assessments for as long as it remains an Ancillary Lot. An Ancillary Lot is a Lot that meets all of the following criteria:

- a) It remains undeveloped, although it may have a part of a residence or accessory structure on it;
- b) it is adjacent to a Home owned by the same Member that owns the Lot;
- c) it serves solely as required “bulk” for the adjacent Home for zoning purposes, or it functions together with the adjacent Home such that the two are, for practical purposes, one premises; and
- d) the Member declares it in writing delivered to the Association as an Ancillary Lot. Each Home may have only one Ancillary Lot.

Section 5. Date of Commencement of Assessments: Due Dates. The due dates of the assessed charges are to be set forth by the Board of Trustees in the rules and regulations, and unless otherwise specified, shall be assessed from January through December of each year.

Section 6. Effect of Non-Payment of Assessments: Remedies of the Association. The effect of non-payment of Assessments and the remedies of the Association shall be as specified in the Declaration and these By-Laws, and shall be collected as set forth in the Board’s collection policies. The Association’s remedies are cumulative, and include, but are not limited to, filing and foreclosure of liens, and lawsuits to recover unpaid amounts. Filing a lawsuit shall not preclude the filing or foreclosure of a lien, and the filing or foreclosure of a lien shall not preclude a lawsuit. And neither shall preclude enforcement by suspension of membership privileges. The Board of Trustees may establish collection policies and procedures consistent with the other Governing Documents.

Section 7. Subordination of Lien to Mortgage. The lien of the assessments provided for herein shall be subordinated to a purchase money first mortgage of record.

Section 8. Checks. All checks and notes of the Association shall be signed by the President and Treasurer, or by such other officer or officers or such other person or persons as the Board of Trustees may from time to time designate.

Section 9. Operating Account. There shall be established and maintained a cash deposit account to be known as the “Operating Account” into which shall be deposited the Assessments as fixed and determined for all Members. Disbursements from said account shall be for the general needs of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the community.

Section 10. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purposes.

ARTICLE XI. AMENDMENTS

These By-Laws may be amended at any duly called meeting of Association Members provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; and (2) that the amendment shall be approved by votes representing at least sixtysix and two-thirds (66 2/3%) percent of the Lots represented at a meeting at which a quorum is present. No amendment, however, shall affect or impair the validity or priority of the Members' interests and the interests of institutional holders of a mortgage encumbering a Member's Lot.

ARTICLE XII. SELLING, LEASING AND GIFTS OF LOTS

Section 1. Selling and Leasing Lots. Any Lot may be conveyed or leased by an Owner free of any restrictions except that no Owner shall convey, mortgage, pledge, hypothecate, sell or lease the Lot unless and until all unpaid Assessments against the Lot shall have been paid as directed by the Board of Trustees. Such unpaid Assessments, however, may be paid out of the proceeds from the sale of a Lot, or by the Grantee. Any sale or lease of a Lot or unit in violation of this section shall be voidable at the election of the Board of Trustees. Upon the written request of a Member or his mortgagee, the Board or its designee shall furnish a written statement of the unpaid charges due from such Member which shall be conclusive evidence of the payment of amounts assessed prior to the date of the statement. A reasonable charge may be made by the Board for the issuance of such statements. The provisions of this section shall not apply to the acquisition of a Lot by an institutional mortgagee who shall acquire title to such Lot by foreclosure. In such event the unpaid assessments against the Lot which were assessed and became due prior to the acquisition of title to such Lot by such mortgagee shall be deemed waived by the Association as a lien and as to such mortgagee, but not as to the personal liability of the Member who was the Owner when they accrued. Such provisions shall, however, apply to Assessments which are asserted and become due after the acquisition of title to such Lot by the mortgagee or to any purchaser at the foreclosure sale.

Section 2. Gifts, etc. Any Member may convey or transfer his Lot by gift during his lifetime or devise his Lot by will or pass the same by intestacy without restriction.

ARTICLE XIII. GENERAL PROVISIONS

Section 1. Fiscal Year. The fiscal year of the Association shall be the calendar year, unless otherwise fixed by resolution of the Board of Trustees.

Section 2. Examination of Books and Records. Each Member, or their respective representatives and first mortgagees, shall be entitled to a reasonable examination of the books and records of the Association at any time upon reasonable notice to its Board of

Trustees, and for reasonable non-commercial purposes. The Board may restrict access to confidential information or information sought for commercial purposes, subject to a court order otherwise. The Declaration, Certification of Incorporation and the By-Laws of the Association shall be available for inspection by any Member or first mortgagee at the principal office of the Association.

Section 3. Construction. Whenever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, whenever the context so required. In the case of any conflict in the Governing Documents, the conflict shall be resolved by following the Governing Documents in this order of priority: Federal and New York law unless it is specified that such law allows variation, the Certificate of Incorporation, the Declaration, these By-Laws, the rules and regulations, and policies.

Section 4. Severability. Should any of the covenants, terms or provisions herein imposed be or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 5. Notices. Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Trustees or to any Trustee or Association Member, it shall not be construed to mean personal notice; but such notice may be given in writing, by first class mail, or telefax or e-mail. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent of notice. Appearance at the meeting called for in the notice, without protest, shall be deemed waiver of notice.

Section 6. Liability of Trustees, Officers, and Owners. No Trustee or Officer shall be liable to the Association or its Members for any mistake of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Association shall severally indemnify each Trustee and Officer against any liability or claims except those arising out of the bad faith or willful misconduct. Such indemnity shall include expenses of defense, including reasonable attorney fees, and the Association shall have the right to retain an attorney for such defense. Such indemnification shall continue beyond the term of office. It is intended that each Trustee and Officer shall have no personal liability with respect to contracts made on behalf of the Association, except to the extent such is also a Member.